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FM AMEMBASSY ZAGREB

TO RUEHC/SECSTATE WASHDC IMMEDIATE 7051

INFO RUEHAK/AMEMBASSY ANKARA IMMEDIATE 0127

RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 0125

RUEHKM/AMEMBASSY KAMPALA IMMEDIATE 0002

RUEHPE/AMEMBASSY LIMA IMMEDIATE 0013

RUEHLJ/AMEMBASSY LJUBLJANA IMMEDIATE 6375

RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

S E C R E T ZAGREB 001485

SIPDIS

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DEPT FOR EUR DICARLO, EUR/SCE HOH, SAINZ, BALIAN
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TAGS: [PARM](#) [PREL](#) [ETTC](#) [IR](#) [HR](#) [ORGANIZED CRIME](#) [CORRUPTION](#)

SUBJECT: CONVICTED ARMS SMUGGLER RENEWS ATTEMPTS TO SELL
MISSILE SOFTWARE TO IRAN, OTHERS

REF: ZAGREB 215 AND PREVIOUS

Classified By: Political Officer Tom Selinger for reasons 1.4 (b) & (d)

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¶11. (S) SUMMARY AND COMMENT: Deputy State Prosecutor Josip Cule informed PolOff December 7 that Croatian intelligence service reports indicate Stjepan (aka Sinisa) Adrenik (reftels) has resumed his efforts to sell missile fire control software to Iran. Adrenik was convicted in September in the municipal court in Krapina, about 50 kilometers north of Zagreb, for avoiding customs control after he attempted to sell his software to Tehran, but was only sentenced to probation due to weaknesses in Croatian export control law. Post's EXBS program is currently assisting the GoC with revisions to remove loopholes from the law and increase penalties. END SUMMARY AND COMMENT.

EXPANDED ACTIVITY AFTER CONVICTION, LIGHT SENTENCE

¶12. (S) According to Cule, Adrenik now has an active network of accomplices. He has resumed contacts with Iran through his colleague Zelimir Koncar, who returned from Tehran on November 23. In addition, Adrenik has reportedly communicated with Peru, Uganda, and Pakistan in his efforts to sell his "ART SYS 2000" fire control software. Intelligence reports indicate he is coordinating at least part of his activities through "TBR," a company based in Koper, Slovenia with the assistance of an accomplice named Mujo Bazdulja. An unnamed accomplice in the Croatian port of Zadar may be planning a trip to Pakistan to present Adrenik's software.

¶13. (U) According to press reports, Adrenik established his international arms trading contacts during his days in the Croatian Army where he was an electronics expert. His mentor was reportedly Antun Perisin, who was active in RH ALAN, the GoC's official arms trading company. The press indicates that RH ALAN had contacts in Iran from secret arms deals it facilitated for BiH during the war in the early 1990s.

CASE REVEALS GOC SHORTFALLS BUT DEEPENS RESOLVE

¶14. (S) In addition to gaps in the Croatian penal code regarding circumvention of export controls, the Adrenik case has shed light on coordination problems within the GoC. The court confiscated Adrenik's passport during his trial, but he reportedly obtained a new one recently by simply telling the

police that he had lost it. After Croatian intelligence agents complained, the Ministry of Interior immediately alerted border police, who will notify the intelligence service if Adrenik attempts to leave Croatia.

¶5. (C) Cule reported that Chief State Prosecutor Mladen Bajic intends to use Adrenik's renewed activities to build a stronger prosecution against him, hoping to make a case for prison time when the conviction goes to the county court on appeal. Croatian law currently allows a maximum sentence of five years (eight in cases of organized networks) for avoiding customs control.

PUSH FOR NEW REVISED LEGISLATION

¶6. (SBU) An advisor funded by Post's Export and Border Security (EXBS) program is currently reviewing draft amendments to Croatia's export control law with GoC officials from the Ministry of Economy, Justice, and Foreign Affairs. Our goal is to expedite passage of new provisions defining crimes directly related to the brokering and sale of dual-use goods and establishing appropriate penalties. This will allow the GoC to more effectively prosecute proliferators like Adrenik.

BRADTKE